

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Freeland, Michigan
May 18, 2011

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met at the MBS Airport, 8500 Garfield, Freeland, MI 48623 on Wednesday, May 18, 2011, commencing at the hour of approximately 11:00 a.m.

Members Present

James Collins, Chair
Sidney Adams, Commissioner
Jonathon Freye, Commissioner
Dan Atkinson, Designee – MSP
Kirk Steudle – MDOT
Robert Johnston, Designee – DMVA
Scott Heather, Designee – MDNRE
Jim Shell, Legal Counsel

Staff Present

Dave Baker
Matt Brinker
Rick Carlson
Rick Hammond
Pauline Misjak
Lorraine White
Laura Wise

Members Absent

Russ Kavalhuna, Vice Chair
Terry Everman, Commissioner

Also Present

Mark A. Wilcer, RS&H
Dick Acker, Clare Municipal Airport
Tom Adams, MBS Airport
Mike Daigle, Capitol Region Airport Auth.
Pat Frame, RS&H
Eric Jaroach, Roscommon County Airport
Kelly Jost, C&S Engineers
John Mayfield, FAA
Diane Morse, FAA
Sarah Mozdrzech, C&S Engineers
Jeff Nagel, MBS Airport
Ryan Riesinger, MBS Airport
Bill Ropposch, Mead & Hunt, Int.
John Strehl, Antrim County Airport
Steve Westerbeke, RS&H

I. OPENING REMARKS

The May 18, 2011, Michigan Aeronautics Commission meeting was called to order by Chairman Jim Collins at 11:06 a.m. Roll call was taken; Vice Chair Kavalhuna and Commissioner Everman were absent.

Chairman Collins asked the audience to sign in, adding it was an honor to meet at the MBS airport, especially for him as he once lived in the area. Chairman Collins asked Mr. Jeff Nagel, Manager of the MBS airport for comments.



Mr. Nagel welcomed the Commission and appreciates the efforts made to travel despite the weather conditions. He feels it is important to visit the airports and projects across the state. He discussed the recent projects at the airport, including the terminal project, which is in progress. He indicated he would answer questions on the terminal project during the tour.

II. COMMISSION BUSINESS

A. Chairman Collins asked if there were any changes to the minutes from the March 31, 2011 meeting. Moved by Commissioner Freye and seconded by Commissioner Adams to approve the minutes of the March 31, 2011. The motion passed unanimously.

B. Chairman Collins asked Mr. Rick Hammond to give the details on the Resolution Honoring Bill Naymick.

Mr. Hammond read from the plaque honoring Mr. Naymick: This certificate is awarded in recognition of over 28 years of service promoting aviation safety in Michigan as an Aviation Safety Inspector with the Federal Aviation Administration. Commission members and aeronautics staff offer their most sincere thanks and congratulations. This will be presented to Mr. Naymick at his upcoming retirement.

Moved by Commissioner Adams and seconded by Commissioner Steudle to approve the resolution. The motion passed unanimously.

C. Chairman Collins asked Mr. Dave Baker to present the airport grants. Mr. Baker gave an overview of the 15 projects for funding approval. Mr. Baker explained on why the slides looked a little different; we have adopted a simplified process to detail the projects.

1. James Clements Airport, Bay City
2. Grand Haven Memorial Airpark, Grand Haven
3. Grosse Ile Municipal Airport, Grosse Ile
4. Harbor Springs Municipal Airport, Harbor Springs
5. Houghton County Memorial Airport, Hancock
6. Manistee County-Blacker Airport, Manistee
7. Twin County Airport, Menominee
8. Muskegon County Airport, Muskegon
9. Luce County Airport, Newberry
10. Jerry Tyler Memorial Airport, Niles
11. Oscoda Wurtsmith Airport, Oscoda
12. Ray Community Airport, Ray
13. Presque Isle County Airport, Rogers City
14. Mackinac County Airport, St. Ignace
15. Three Rivers – Dr. Haines Airport, Three Rivers



Chairman Collins asked if there were any questions; there were none. Moved by Commissioner Freye and supported by Commissioner Adams to approve the 15 transfers as presented by Mr. Baker. The motion passed unanimously.

III. REPORTS

A. MDOT Report.

Chairman Collins asked Commissioner Steudle to present this report.

Commissioner Steudle thanked Mr. Nagel for hosting the meeting. He feels it is a good opportunity to move around the state. He mentioned the FAA 30 day reauthorization extension. He recently traveled to Washington regarding this issue. While there he met with Representative Mica who is committed to getting the resolution through. He discussed the way the rules are set up, adding funding, which is a larger concern. There continues to be a lot of questions and uncertainties on the issues. Flexibility is the key right now. He encouraged us to keep in contact with the FAA in Washington for support.

Commissioner Steudle thanked Mr. Baker for his presentation, adding the new slide format contains all the information necessary.

Concerning the Department, Commissioner Steudle indicated that we have a 20% vacancy rate across the department. With the latest early-out retirements, some areas were hit harder than others. We need to focus on what we really have to do and are pushing hard to look at the core functions. We are filling some positions after the reorganization effort. We want the Department to do things better, faster, smarter, cheaper and safer. We are also consolidating services at a lower administrative cost.

The time frame for this, through current budget process, is to have this in place by October 1. He outlined the plans for dealing with this. He discussed a recent brainstorming session; approximately 35 suggestions were received from staff across the state.

The budget bill will be discussed in a conference committee tomorrow, 98% of the items are agreed upon; Commissioner Steudle indicated that the proposed language suggests that we sell 1 King Air. He doesn't know the outcome; he thanked Mr. Hammond for the information sent on this issue.

B. MAC Report

Chairman Collins asked Ms. Pauline Misjak to give this report.

Ms. Misjak outlined the contents of her reporting, starting with budget issues.

Aviation fuel tax collected in FY 10 was \$5.4 million; the Treasury Department's estimate for FY 11 was \$5.5 million. She discussed the aviation fuel tax revenue for



the second quarter, which currently is a 7.34% increase. This is based on the same time period as last year.

The FY 11 vs. five year average, for the second quarter, is -3.43%.

Ms. Misjak mentioned how staff continues to multi-task due to a reduced number of staff. The budget number of \$3.7 million represents ½ year of appropriates for operating costs. We are 35% below the targeted level; but are also starting the busiest time of the year with projects, inspections, etc. We will continue to monitor the budget. As of right now, operating expenses are below actual revenues.

The next item discussed was recent events. The Kalamazoo/Battle Creek International Airport held a grand opening for their new terminal on April 21. She recognized Airport Manager Cliff Moshoginis and Senator Debbie Stabenow in attendance.

MDOT hosted the annual Take Our Daughters and Sons To Work Day on April 28. She discussed the events of the day.

Upcoming events include a congressional briefing scheduled for Thursday, June 16, which is in response to a specific request by the FAA. Michigan congressional delegation, staff members, and Commission members have been invited. She mentioned the issues that will be discussed at the briefing; detailed information will be send to the Commissioners.

The Kalamazoo Air Zoo recently loaned information and artifacts to show in our building display case. She said the Air Zoo is a very motivational and educational facility with hands-on exhibits and encouraged a visit to the facility.

Commissioner Heather asked if any of the annual budget carries forward to the next fiscal year. Ms. Misjak discussed the State Aeronautics Fund; any money carried over will lapse to that fund. We do not receive general fund money.

D. Legislative Report

Chairman Collins asked Mr. Rick Hammond to give this report.

Mr. Hammond indicated that we received updates on the FAA authorization and budget. Right now there are 3 bills pending that would impact the aviation industry. The Governor's Office on Regulatory Reform is taking a look at the bills. The Administrative Rules for the Commission are being discussed. We were asked to submit information on a regulatory plan on which items we want to amend, revoke, etc. We are working on this plan, the deadline is July 1. We will ask the Commission to take action on approval if we have items that staff feel may need to be amended; then ask for approval to submit with information reported at the next Commission meeting.



The other option is to wait; we won't be held to any changes over the next 12 months. The procedure is to submit the changes to the Governor's office prior to the July 1 deadline, and keep the Commissioners informed.

Commissioner Freye moved to allow the staff to carry out the administrative reforms and submit to the Governor's Office of Regulatory Reform and to present a recommended plan of action over the next 12 months. Supported by Commissioner Adams. The motion carried unanimously.

Mr. Hammond continued his report with an update on the Unimproved Airport License. We submitted, to the Governor's Office of Regulatory Reform, a rule for unimproved airport licenses. It was certified by that office; then sent to the Joint Committee on Administrative Rules; they have 15 days in which to make a ruling on this. Mr. Hammond requested permission to approve a motion to certify the rule set as presented at the January 26, 2011 meeting. He briefed the Commissioners on the rule. Commissioner Freye asked Mr. Hammond to discuss the liability. Mr. Hammond mentioned the Aircraft Owners and Pilots Association, and discussed the associated rules, adding that we have never seen a successful lawsuit.

Commissioner Heather asked if the unimproved airports will be listed in the directory. Mr. Hammond said they are not now, but will be after they become licensed.

Moved by Commissioner Freye and seconded by Commissioner Adams for support of establishing of an unimproved airport license in the State of Michigan. The motion passed unanimously.

IV. PUBLIC COMMENT

There was no public comment.

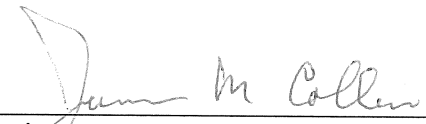
Commissioner Freye mentioned that he anticipates that this would be his last meeting as his appointment expires on May 27. If so, he thanked the Commissioners and staff. Chairman Collins added that he would remain on the Commission until a new appointment is made.

Chairman Collins recognized Mr. John Mayfield and Ms. Diane Morse in attendance from the FAA. He also mentioned a tour of the new terminal building, starting after lunch.

The meeting was adjourned at 11:52 a.m.



Director



Chairman

Dated 7/27/11

